

# STATE OF NEW YORK

1055

2021-2022 Regular Sessions

## IN SENATE

January 6, 2021

Introduced by Sen. SANDERS -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

AN ACT to amend the state finance law, in relation to establishing the state of New York public bank; and providing for the repeal of certain provisions upon expiration thereof

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The state finance law is amended by adding a new article 17  
2 to read as follows:

3 ARTICLE 17

4 STATE OF NEW YORK PUBLIC BANK ACT

5 Section 254. Legislative intent.

6 255. Definitions.

7 256. Creation.

8 257. Commission.

9 258. Governance.

10 259. Deposit of public funds.

11 260. Investment of state moneys.

12 261. Infrastructure loans.

13 262. Student loans.

14 263. Business, non-profit and individual loans.

15 264. Treasury and banking services.

16 265. Management.

17 266. Advisory board.

18 267. Financial regulation.

19 268. Reporting requirements.

20 269. Ethical requirements.

21 270. Fees and taxes.

22 271. Bank records.

23 272. Capitalization.

24 273. Public depository.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

LBD06138-02-1

1 274. Application of this chapter to the president.

2 275. Cash and demand deposits available.

3 276. Permitted investments.

4 277. Severability.

5 § 254. Legislative intent. 1. The legislature finds that there are  
6 significant public infrastructure, higher education, home loans, and  
7 small business development needs, including those involving minor-  
8 ity- and women-owned business enterprises, of the state that are unmet.  
9 The legislature further finds that there are opportunities to use the  
10 state's depository assets to generate additional benefit for the people  
11 and the economy of the state. Therefore, the legislature intends to  
12 create the state of New York public bank as a legacy institution that  
13 amasses sufficient capital reserves to address opportunities now and in  
14 the future.

15 2. The legislature intends that the public bank may:

16 (a) Facilitate investment in, and financing of, public infrastructure  
17 systems and projects that will increase public health, safety, and qual-  
18 ity of life, improve environmental conditions, including the retrofit-  
19 ting of homes as green homes, and promote community vitality and econom-  
20 ic growth;

21 (b) Assist students who are in need of additional low-cost student  
22 loans in order to finance the cost of higher education;

23 (c) Acquire and contract to acquire existing mortgages owned by banks  
24 and enter into advance commitments to banks for the purchase of such  
25 mortgages, and to provide low-cost home loans to first time home buyers;

26 (d) Provide access to credit for small businesses, including minority-  
27 and women-owned business enterprises and farmers; and

28 (e) Provide banking to underserved communities and economically disad-  
29 vantaged communities of our state to provide access to low-interest  
30 capital; and

31 (f) Leverage New York's financial capital and resources, and work in  
32 partnership with financial institutions, including credit unions, commu-  
33 nity development financial institutions, independent banks, community-  
34 based organizations, economic development organizations, guaranty agen-  
35 cies, and other similar organizations.

36 3. The mission of the bank is to use New York's depository assets in  
37 ways that afford most efficient use of taxpayer revenues and public  
38 resources for the benefit of the people and economy of the state. The  
39 legislature intends for the bank to apply business strategies to manage  
40 taxpayer revenues while concurrently meeting identified needs and stra-  
41 tegic opportunities across the state. In achieving its purpose of  
42 improving public infrastructure and increasing access to higher educa-  
43 tion, creating a pathway to home ownership and strengthening the state's  
44 economy by investing in small businesses, including minority- and  
45 women-owned business enterprises, and farmers, the legislature intends  
46 for the bank to adhere to the following priorities:

47 (a) Institutional safety and soundness;

48 (b) Long-term viability;

49 (c) Social return and monetary return on investments;

50 (d) Prudent and best banking and business practices;

51 (e) Highest ethical, accountability, and transparency standards; and

52 (f) Insulation from political influence.

53 § 255. Definitions. The definitions in this section apply throughout  
54 this article unless the context clearly requires otherwise.

55 1. "Board" means the advisory board of the state of New York public  
56 bank.

1 2. "Commission" means the state of New York public bank commission.

2 3. "Department" means the department of financial services.

3 4. "Director" means the director of the department of financial  
4 services.

5 5. "Economic distressed communities" means those communities where at  
6 least thirty percent of residents have incomes that are less than the  
7 national poverty level and where the unemployment rate is greater than  
8 the national unemployment rate, or economic opportunity zone designated  
9 communities.

10 6. "Superintendent" means the superintendent of the department of  
11 financial services.

12 7. "Public infrastructure system" means a system of a local government  
13 or political subdivision, a special purpose district, a public school  
14 district, an institution of higher education, a federally recognized  
15 Indian tribe, or the state, including but not limited to a system  
16 involving: Wastewater treatment; storm water management; solid waste  
17 disposal; drinking water treatment; flood control levees; energy effi-  
18 ciency enhancements; roads, streets, and bridges; transportation infras-  
19 tructure, including freight and passenger rail and public transit;  
20 broadband and telecommunications infrastructure; outdoor recreation and  
21 habitat protection facilities; community, social service, or public  
22 safety facilities; schools and educational facilities; and affordable  
23 housing.

24 8. "Special purpose charter" means any public bank organized under the  
25 laws of this state that is engaged in banking for the benefit of the  
26 public.

27 9. "State moneys" means all moneys or funds belonging to or in the  
28 custody of the state under the control of the state comptroller shall be  
29 considered as state moneys or funds.

30 10. "Comptroller" means the comptroller of the state of New York.

31 11. "Bank" means the state of New York public bank.

32 § 256. Creation. The state of New York public bank is created.

33 § 257. Commission. 1. The state of New York public bank commission is  
34 created as the primary governing authority of the bank. The commission  
35 shall be an independent board consisting of no less than seven members  
36 with substantial banking and financial experience, with two members  
37 appointed by the governor, one member appointed by the temporary presi-  
38 dent of the senate, one member appointed by the senate majority leader,  
39 one member appointed by the speaker of the assembly, one member  
40 appointed by the assembly majority leader, one member appointed by the  
41 chair of the senate banks committee, one member appointed by the chair  
42 of the assembly banks committee, and one member appointed by the state  
43 comptroller.

44 2. The commission shall adopt rules regarding the:

45 (a) Safety and soundness standards of the bank;

46 (b) Criteria for evaluating, approving, and monitoring loans;

47 (c) Eligibility requirements and limits for borrowing;

48 (d) Transparency requirements for bank operations;

49 (e) Ethics and conflict of interest requirements for the commission,  
50 the board, and officers and employees of the bank, including rules to  
51 ensure that they perform their functions in compliance with the public  
52 officers law; and

53 (f) Other topics as needed for efficient administration of the bank.

54 3. The commission shall commence bank operations by April first, two  
55 thousand twenty-three.

1 4. The commission may delegate to the bank president such duties and  
2 powers as deemed necessary to carry on the business of the bank and  
3 enforce this article efficiently and effectively. The commission may not  
4 delegate its rule-making or policy-making authority.

5 5. The commission shall adopt policies and procedures for its own  
6 governance.

7 6. The commission may establish technical advisory committees or  
8 consult with public and private sector experts in substantive areas  
9 related to the bank's mission, objectives, and duties.

10 § 258. Governance. 1. The public bank shall be governed by a board.  
11 Such board shall be composed of nine or eleven directors. Each director  
12 shall live within the jurisdictional boundaries of the sponsor.

13 2. The state shall determine the public bank's initial board in the  
14 following manner:

15 (a) The governor shall appoint three members, with a least one member  
16 having community banking or financial experience;

17 (b) The temporary president of the senate shall appoint two members,  
18 with at least one member having community banking or financial experi-  
19 ence;

20 (c) The speaker of the assembly shall appoint two members, with at  
21 least one member having community banking or financial experience;

22 (d) The comptroller, who shall be a permanent member of the governing  
23 board, shall appoint one member with community banking or financial  
24 experience; and

25 (e) The board members selected pursuant to paragraphs (a) through (c)  
26 of this subdivision shall, pursuant to a majority vote, select at their  
27 discretion either seven or nine additional board members, with the sole  
28 purpose of maximizing board diversity of the state.

29 3. At least one board member selected pursuant to each of paragraphs  
30 (a) through (c) of subdivision two of this section shall be an individ-  
31 ual with experience in the finance industry or the business of community  
32 banking with an emphasis on community lending.

33 4. At least one board member selected pursuant to each of paragraphs  
34 (a) through (c) of subdivision two of this section shall be an individ-  
35 ual representative of at least one of the community stakeholders prior-  
36 itized by the public bank's underwriting and financial policies.

37 5. When a board member resigns or leaves office for any reason, the  
38 individual selected to replace such board member shall be selected in  
39 the same manner as the initial appointment.

40 6. The sponsor and board shall take all necessary steps to ensure that  
41 the composition of the board reflects the composition of the population  
42 in terms of people of color and women.

43 7. A majority of the board shall be composed of independent directors  
44 who are not government employees. The chair of the board shall be an  
45 independent director.

46 8. The board shall set policy for the public bank; provided, however,  
47 that neither the board nor any director shall be involved in day-to-day  
48 operations regarding particular instruments. Management decisions shall  
49 be made independently by bank management who shall be appointed by the  
50 board in a manner consistent with bank policy.

51 9. The board may establish one or more committees to manage the public  
52 bank.

53 10. The board shall adhere to all reporting requirements under this  
54 chapter regarding the public bank's financial condition.

1 11. A public bank shall form one or more advisory boards in order to  
2 provide advice and carry out any other duties, as determined by the  
3 public bank, including but not limited to, the following:

4 (a) Provide input to the board regarding ways to accomplish its  
5 mission;

6 (b) Ensure that the board follows strict ethical standards as deter-  
7 mined by the sponsor in the public bank's governing documents, through  
8 the approval of bylaws, to govern the board's management;

9 (c) Provide technical advice as needed; and

10 (d) Provide an annual report to the public and the sponsor evaluating  
11 the public bank's performance in relation to its mission, its ethical  
12 standards and its financial soundness.

13 12. The state shall determine the initial advisory board membership,  
14 the term of its members, the qualifications of members and the method  
15 for replacing its members, provided that a majority of each advisory  
16 board is made up of independent members who are not government employ-  
17 ees. Such advisory board shall be composed of no fewer than five members  
18 and no more than eleven members. All advisory board members shall be  
19 residents of the state.

20 13. Any action required or permitted by this chapter to be taken by  
21 the board, or an advisory board, may be taken at a duly called meeting  
22 of such board in accordance with its governing documents or without a  
23 meeting if the action taken is evidenced by one or more written consents  
24 describing the action taken and signed by each member of such board.

25 14. The department shall provide technical assistance to the board.  
26 The board may also contract with additional persons who have specific  
27 technical expertise if such expertise is necessary to carry out the  
28 requirements of this section. When seeking technical assistance and/or  
29 advice, the board shall also consult minority-owned or women-owned busi-  
30 nesses when applicable.

31 § 259. Deposit of public funds. 1. (a) The bank shall serve as the  
32 depository for state moneys once the bank has built sufficient capacity  
33 to accept and manage state moneys, as determined by the commission. The  
34 commission shall establish a process and time frame for the deposit of  
35 state moneys into the bank.

36 (b) The comptroller shall deposit state moneys in the bank in accord-  
37 ance with the time frame and guidelines determined by the commission  
38 under this section.

39 2. All deposits in the bank are guaranteed by the state.

40 3. All income earned by the bank on state moneys that are deposited in  
41 or invested with the bank must be credited to and become a part of the  
42 revenues and income of the bank.

43 4. The bank may accept deposits of public funds.

44 5. The bank may accept funds from any source, including federal funds  
45 or other public funds, including but not limited to, twenty percent of a  
46 cannabis revenue fund as part of the state's social and economic equity  
47 plan. Specifically, fifty percent of all public deposits made into the  
48 public bank shall prioritize lending in unbanked and underserved commu-  
49 nities that have an income lower than eighty percent of the median  
50 income of the county in which the applicant resides, has a minority-  
51 owned or women-owned business or is a disadvantaged farmer.

52 6. The commission shall review state accounts that contain public  
53 funds that are not state moneys, such as the state insurance fund, and  
54 make recommendations to the governor and the appropriate committees of  
55 the legislature as to which accounts should be deposited in the bank.

1 7. The bank shall make disbursements to the state funds as necessary  
2 for the function of state government.

3 8. The bank is authorized to establish a master account with the  
4 federal reserve to enhance its liquidity.

5 § 260. Investment of state moneys. The bank may invest state moneys  
6 deposited in the bank that are not reasonably expected to be necessary  
7 to meet the short or intermediate-term liquidity needs of the state. The  
8 state comptroller retains authority to manage and invest the amount of  
9 funds necessary to meet the operational needs of state government.

10 § 261. Infrastructure loans. The bank is authorized to facilitate  
11 investment in, and financing of, construction, rehabilitation, replace-  
12 ment, and improvement of new and existing public infrastructure systems.  
13 Before initiating operations, the commission shall present an implemen-  
14 tation plan and any necessary legislation to the governor and appropri-  
15 ate legislative committees, that:

16 1. Identifies the public infrastructure systems that the bank plans to  
17 target initially;

18 2. Identifies any existing state programs that the bank recommends be  
19 transferred under its umbrella, and the steps and timelines for the  
20 transitions;

21 3. Describes additional financing products and services the bank plans  
22 to offer, the target markets, anticipated rates, terms, and conditions;

23 4. Demonstrates how bank products and services will increase access to  
24 capital for public infrastructure systems and complement those of exist-  
25 ing public and private sources; and

26 5. Demonstrates how the bank plans to maximize revenues and public  
27 benefit.

28 § 262. Student loans. The bank, in partnership with independent commu-  
29 nity banks, credit unions or community development institutions, is  
30 authorized to administer a state guarantee loan program to assist  
31 students in need of low-cost student loans and related loan benefits to  
32 address educational needs as necessary to support student success,  
33 including the refinancing of an existing student debt. The commission  
34 shall develop an implementation plan that:

35 1. Identifies the needs and benefits to selected students that the  
36 program will target initially;

37 2. Demonstrates how the bank plans to maximize revenues and public  
38 benefit while minimizing public risk;

39 3. Demonstrates how the bank will coordinate with the office of  
40 student financial assistance; and

41 4. Identifies the ways that the program will address the following  
42 issues related to loans:

43 (a) Qualification criteria for students;

44 (b) Obligations and options for loan repayment;

45 (c) Requirements for loan guarantees and reserves;

46 (d) Establishing criterion for refinancing an existing debt;

47 (e) Fee and interest rate structure;

48 (f) Maximum loan amounts; and

49 (g) Ensuring student awareness of grants, federal loans, and other  
50 financial aid programs.

51 § 263. Business, non-profit and individual loans. The bank, in part-  
52 nership with independent community banks, credit unions or community  
53 development financial institutions, is authorized to leverage thirty  
54 percent of public deposits as financial capital and resources to provide  
55 access to low-cost capital and/or credit to small businesses, minority-  
56 and women-owned business enterprises, entrepreneurs, start-up busi-

1 nesses, farmers and below average income communities and individuals of  
2 this state to further economic growth, create jobs and build and sustain  
3 affordable housing for the residents of this state as provided for by  
4 this section. The bank is also authorized to leverage its financial  
5 capital and resources to provide access to low-cost capital to bring  
6 fiscally sound and financially successful businesses into this state as  
7 provided for by this section. The bank is also authorized to leverage  
8 its financial capital and resources to provide access to low-cost capi-  
9 tal and/or credit to established businesses in this state for the  
10 purpose of providing financial stability for the bank as provided for by  
11 this section.

12 1. The bank, in partnership with the state of New York mortgage agen-  
13 cy, may purchase, guarantee or hold loans made by private banks, credit  
14 unions or other financial institutions doing business in this state.

15 2. The bank may make loans in the form of participation loans with  
16 community banks, credit unions and community development financial  
17 institutions in this state to qualified individuals and businesses  
18 residing or doing business in this state when the originator of the loan  
19 is a private bank, credit union or other financial institution.

20 3. The bank may serve as a banker's bank for chartered banks in this  
21 state by providing correspondent banking services and other related  
22 services in keeping with its mission to create regional banks in  
23 unbanked and underserved communities. The bank and regional banks estab-  
24 lished pursuant to this statute shall not compete with private banks,  
25 particularly in unbanked and underserved communities.

26 4. The bank may accept deposits related to such transactions from  
27 banks and other financial institutions.

28 § 264. Treasury and banking services. 1. For financial institutions  
29 that make the bank a reserve depository, the bank may serve as a clear-  
30 inghouse, including all facilities for providing domestic and foreign  
31 exchange, and may rediscount paper, on terms the commission provides.

32 2. The bank may provide corporate trust services for the state and its  
33 political subdivisions including trustee, escrow agent, paying agent,  
34 bond registrar, and transfer agent.

35 3. The bank may buy and sell federal funds; issue letters of credit  
36 for public deposits; and provide a safekeeping service for United States  
37 treasury securities, federal agency securities, corporate bonds, tax-  
38 free bonds, money market investments, and mortgage-backed securities.

39 4. The bank may perform services currently contracted out by the  
40 office of temporary disability services regarding electronic benefits  
41 transfer cards.

42 § 265. Management. 1. The commission shall appoint a bank president  
43 with demonstrated and substantial experience in community banking. The  
44 president shall serve at the commission's pleasure, on such terms and  
45 conditions as the commission determines.

46 2. The president shall provide support to the commission and the advi-  
47 sory board, carry out bank policies and programs, and exercise addi-  
48 tional authority as may be delegated by the commission.

49 3. Subject to available funding and consistent with commission direc-  
50 tion, the bank president:

51 (a) May employ such additional personnel as are necessary to the  
52 bank's operations. This employment shall be in accordance with the  
53 state civil service law; and

54 (b) May contract with persons who have the technical expertise needed  
55 to carry out a specific, time-limited project.

1 § 266. Advisory board. 1. (a) A public bank advisory board consisting  
2 of eleven members is created to review the bank's operations and make  
3 recommendations relating to the bank's management, services, policies,  
4 and procedures.

5 (b) The governor shall appoint members of the advisory board, subject  
6 to confirmation by the senate. The members of the advisory board shall  
7 be knowledgeable in community banking or finance and shall represent a  
8 diversity of experience relevant to activities of the bank. Six or more  
9 of the members shall have expertise in community banking or finance. Two  
10 members shall be from a consumer advocacy or social justice organization  
11 or have a background in the area of consumer advocacy or social justice.  
12 Advisory board members serve at the pleasure of the governor.

13 (c) The board shall choose its chair from among its membership.

14 2. The term of the members is three years. Five of the initial board  
15 members shall be appointed to serve an initial term of three years,  
16 three shall be appointed to serve an initial term of two years, and the  
17 three remaining members shall be appointed to serve an initial term of  
18 one year. All subsequent terms are three years. To ensure that the board  
19 can continue to act, a member whose term expires shall continue to serve  
20 until his or her replacement is appointed. In the case of any vacancy on  
21 the board for any reason, the governor shall appoint a new member to  
22 serve out the term of the person whose position has become vacant. A  
23 board member may be removed for misconduct inconsistent with the mission  
24 of the bank by the governor.

25 § 267. Financial regulation. 1. The bank shall maintain capital  
26 adequacy and other standard indicators of safety and soundness as is  
27 appropriate for a publicly owned financial institution.

28 2. The superintendent may examine the bank in the same manner as a  
29 state-chartered financial institution. The superintendent shall take  
30 into consideration the unique circumstances of a publicly owned finan-  
31 cial institution when examining the bank. The bank shall pay the direc-  
32 tor for the reasonable costs of examinations.

33 3. The bank must undergo independent audits on the same basis as  
34 state-chartered banks.

35 § 268. Reporting requirements. 1. The bank shall submit quarterly  
36 reports to the commission in a manner and form prescribed by the commis-  
37 sion. Late reports are not permissible and shall be cause for removal  
38 of the person or persons responsible.

39 2. The commission shall make a report to the legislature on the  
40 affairs of the bank by December first of each year.

41 § 269. Ethical requirements. The bank may not make a loan to any advi-  
42 sory board member, the president, public officers or employees of the  
43 bank. Advisory board members, the president, and employees of the bank  
44 must follow any applicable ethical requirements in rules, policies, and  
45 procedures adopted by the commission.

46 § 270. Fees and taxes. The bank is exempt from payment of all fees and  
47 taxes levied by the state or any of its subdivisions.

48 § 271. Bank records. 1. Certain bank business records and records of  
49 the department relating to the bank are exempt from public disclosure as  
50 authorized by the department of financial services.

51 2. Financial and commercial information and records submitted to  
52 either the department or the commission for the purpose of administering  
53 this article may be shared between the department and the comptroller.  
54 These records may also be used in any suit or administrative hearing  
55 involving any provision of this chapter.

56 3. This section does not prohibit:



1 (a) The issuance of general statements based on the reports of persons  
2 subject to this article as long as the statements do not identify the  
3 information furnished by any person; or

4 (b) The publication by the director or the commission of the name of  
5 any person violating this article and a statement of the manner of the  
6 violation by that person.

7 § 272. Capitalization. The commission shall make recommendations to  
8 the appropriate fiscal committees of the legislature on options for  
9 capitalization of the bank. Any recommendations shall include draft  
10 legislation for consideration by the legislature.

11 § 273. Public depository. The state of New York public bank created in  
12 section two hundred fifty-six of this article may accept deposits of  
13 public funds, but is not a public depository.

14 § 274. Application of this chapter to the president. The provisions of  
15 this chapter outside this article do not apply to the president as  
16 defined in section two hundred sixty-five of this article.

17 § 275. Cash and demand deposits available. The state comptroller shall  
18 maintain at all times cash, or demand deposits in the state of New York  
19 public bank or qualified public depositories in an amount needed to meet  
20 the operational needs of state government. The state comptroller shall  
21 not be considered to be in violation of unlawful issuance of checks or  
22 drafts if he or she maintains demand accounts in public depositories in  
23 an amount less than all treasury warrants issued and outstanding.

24 § 276. Permitted investments. Subject to the limitations in section  
25 two hundred sixty of this article, wherever there is in any fund or in  
26 cash balances in the state treasury more than sufficient to meet the  
27 current expenditures properly payable therefrom, the bank may invest or  
28 reinvest such portion of such funds or balances as the bank deems expe-  
29 diat in the following defined securities or classes of investments:

30 1. Certificates, notes, or bonds of the United States, or other obli-  
31 gations of the United States or its agencies, or of any corporation  
32 wholly owned by the government of the United States;

33 2. In state, county, municipal, or school district bonds, or in  
34 warrants of taxing districts of the state. Such bonds and warrants shall  
35 be only those found to be within the limit of indebtedness prescribed by  
36 law for the taxing district issuing them and to be general obligations.  
37 The state comptroller may purchase such bonds or warrants directly from  
38 the taxing district or in the open market at such prices and upon such  
39 terms as it may determine, and may sell them at such times as it deems  
40 advisable;

41 3. In motor vehicle fund warrants when authorized by agreement between  
42 the state comptroller and the department of transportation requiring  
43 repayment of invested funds from any moneys in the motor vehicle fund  
44 available for state highway construction;

45 4. In federal home loan bank notes and bonds, federal land bank bonds  
46 and federal national mortgage association notes, debentures and guaran-  
47 teed certificates of participation, or the obligations of any other  
48 government sponsored corporation whose obligations are or may become  
49 eligible as collateral for advances to member banks as determined by the  
50 board of governors of the federal reserve system;

51 5. Negotiable certificates of deposit of any national or state commer-  
52 cial or mutual savings bank or savings and loan association doing busi-  
53 ness in the United States, provided, the comptroller shall follow the  
54 investment policies and procedures advised by the investment advisory  
55 committee pursuant to subdivision b of section four hundred twenty-three  
56 of the retirement and social security law;

1 6. Commercial paper, provided that the comptroller shall follow the  
2 investment policies and procedures advised by the investment advisory  
3 committee pursuant to subdivision b of section four hundred twenty-three  
4 of the retirement and social security law.

5 § 277. Severability. If any clause, sentence, paragraph, subdivision,  
6 section or part of this article shall be adjudged by a court of compe-  
7 tent jurisdiction to be invalid, such judgment shall not affect, impair  
8 or invalidate the remainder thereof, but shall be confined in its opera-  
9 tion to the clause, sentence, paragraph, subdivision, section or part of  
10 this article directly involved in the controversy in which such judgment  
11 shall have been rendered.

12 § 2. This act shall take effect immediately; provided, however, that  
13 section 258 of the state finance law, as added by section one of this  
14 act shall be deemed repealed on April 1, 2022. Effective immediately,  
15 the addition, amendment and/or repeal of any rule or regulation neces-  
16 sary for the implementation of this act on its effective date are  
17 authorized to be made and completed on or before such effective date.